

Message Text

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46

ACTION COME-00

INFO OCT-01 EUR-25 ISO-00 SAJ-01 EB-11 SS-20 NSC-10 L-03

H-03 AID-20 CIAE-00 FRB-02 INR-10 NSAE-00 RSC-01

TRSE-00 XMB-07 OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01

OMB-01 INT-08 STR-08 SCI-06 AGR-20 PRS-01 PA-04

USIA-15 DRC-01 /202 W

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FM AMEMBASSY MOSCOW

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C O N F I D E N T I A L MOSCOW 1083

STATE PLEASE PASS COMMERCE/TREASURY

E.O. 11652 N/A

TAGS: ETRD, UR, US

SUBJ: KAISER SIGNS PROTOCOL WITH SOVIETS

REF: MOSCOW 712

1. SUMMARY. SCIENTIFIC-TECHNICAL COOPERATION AGREEMENT
BETWEEN KAISER INDUSTRIES AND STATE COMMITTEE SCIENCE AND
TECHNOLOGY WAS SIGNED JANUARY 23 BY KAISER VICE-CHAIRMAN TREFETHEN
AND SCST DEPUTY CHAIRMAN GVISHIANI. SUPPLEMENTARY PROTOCOLS
COVERING COOPERATION IN ALUMINUM, IRON AND STEEL, AND COAL INDUSTRIES
WERE SIGNED BY TREFETHEN AND DEPUTY MINISTER OF APPROPRIATE SOVIET
MINISTRIES. KAISER TEAM LEAVING MOSCOW HIGHLY SATISFIED WITH PRO-
GRESS
MADE BUT FULLY CONSCIOUS THAT ENORMOUS AMOUNT OF WORK REMAINS
BE DONE BEFORE CONCRETE RESULTS WILL BE ACHIEVED IN ANY AREA. IN
MEETING JANUARY 22 WITH TREFETHEN, CHARGE URGED THAT KAISER DISCUSS
PENDING PROJECTS, PARTICULARLY ALUMINUM DEAL, WITH STATE/TREASURY/
COMMERCE AS SOON AS POSSIBLE. PRESS RELEASE ON BASIC PROTOCOL (SEE
SEPTEL) WILL BE ISSUED 1800 HOURS MOSCOW TIME JANUARY 23. END
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SUMMARY.

2. FOLLOWING SEVEN DAYS OF INTENSIVE NEGOTIATIONS, TREFETHEN AND GVISHIANI SIGNED BASIC "UMBRELLA" PROTOCOL JANUARY 23. ON BASIS RATHER HASTY READING, PROTOCOL APPEARS TO BE STANDARD DOCUMENT WHICH COMMITS PARTIES TO LITTLE MORE THAN COOPERATION IN ENUMERATED LIST OF AREAS. MORE IMPORTANT, IN EMBASSY'S VIEW, ARE THREE SUPPLEMENTARY PROTOCOLS WHICH TREFETHEN SIGNED WITH DEPUTY MINISTERS OF NON-FERROUS METALLURGY, COAL, AND FERROUS METALLURGY INDUSTRIES. THESE PROTOCOLS COVER AREAS IN WHICH KAISER SEES REAL POSSIBILITIES FOR LARGE-SCALE COMMERCIAL COOPERATION WITH SOVIETS. ALTHOUGH PROTOCOL SIGNED WITH MINISTRY OF NON-FERROUS METALLURGY IS FAR CRY FROM CONTRACT FOR SOVIET ALUMINUM INDUSTRY EXPANSION PROGRAM (SEE REFTEL FOR DETAILS), ARTICLE TWO OF PROTOCOL COMMITS PARTIES TO COOPERATE IN THE DEVELOPMENT OF ALL PHASES OF SOVIET ALUMINUM INDUSTRY. ARTICLE FOUR ESTABLISHES JOINT WORKING GROUP WHICH WILL BE RESPONSIBLE FOR DEVELOPING SPECIFIC AGREEMENT IN ALUMINUM AREA. FIRST MEETING OF THIS GROUP SCHEDULED FOR MOSCOW IN MARCH 1974. PROTOCOLS ON FERROUS METALLURGY AND COAL INDUSTRIES ALSO MENTION SPECIFIC PROJECTS (I.E. IRON ORE ENRICHMENT AND PELLETIZATION; HYDRAULIC COAL MINING) IN WHICH KAISER SEES DEFINITE COMMERCIAL POSSIBILITIES.

3. TREFETHEN AND OTHER MEMBERS OF KAISER TEAM MET WITH CHARGE JANUARY 22 AND REVIEWED DISCUSSIONS WITH SOVIETS. KAISER OFFICIALS WERE PLEASANTLY SURPRISED WITH MANNER IN WHICH SOVIETS HAD TREATED GROUP AND WITH EVIDENT SOVIET DESIRE TO MOVE NEGOTIATIONS QUICKLY BEYOND GENERALITIES AND INTO SPECIFIC PROJECTS. CHARGE URGED THAT TREFETHEN MAKE ARRANGEMENTS TO DISCUSS VARIOUS ASPECTS OF ALUMINUM AND OTHER PROJECTS WITH APPROPRIATE OFFICIALS OF STATE/TREASURY/COMMERCE AS SOON AS POSSIBLE AFTER TREFETHEN'S RETURN TO US (NOW SCHEDULED FOR FEBRUARY 2). TREFETHEN AGREED AND SUGGESTED THAT ARRANGEMENTS BE HANDLED THROUGH KAISER'S WASHINGTON OFFICE. (COMMENT: KAISER OFFICIALS INDICATED THAT EDGAR KAISER WOULD PROBABLY BE IN WASHINGTON FOR FEBRUARY 26 MEETING OF US-SOVIET TRADE AND ECONOMIC COUNCIL. THIS WOULD APPEAR TO OFFER GOOD OPPORTUNITY FOR REVIEW OF KAISER'S PLANS AND PROSPECTS. END COMMENT).

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4. COMMENT: SERIOUSNESS WITH WHICH SOVIETS TREATED KAISER VISIT AND SIGNING OF PROTOCOLS CALLING FOR LONG-TERM COOPERATION CAN BE TAKEN AS SIGNAL OF "BUSINESS AS USUAL" ATTITUDE SOVIETS ARE CURRENTLY ADOPTING ON US-SOVIET TRADE PROSPECTS DESPITE UNCERTAIN FUTURE OF TRADE LEGISLATION. KAISER OFFICIALS REPORT THAT IN DISCUSSIONS WITH SOVIETS ALL WAS "SWEETNESS AND LIGHT" WITH NO RPT NO HINTS OF SOVIET DISENCHANTMENT AS RESULT OF CONGRESSIONAL PROBLEMS. ON LATTER SUBJECT, TREFETHEN NOTED THAT KAISER HAD

GOOD CONTACTS WITH SENATOR JACKSON AND WAS "SECOND LARGEST
EMPLOYER IN STATE OF WASHINGTON."DUBS

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Message Attributes

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